



General Assembly

Amendment

February Session, 2012

LCO No. 3273

HB0514003273HD0

Offered by:

REP. MEGNA, 97th Dist.

SEN. CRISCO, 17th Dist.

To: Subst. House Bill No. 5140

File No. 438

Cal. No. 73

**"AN ACT CONCERNING PAYMENT OF INSURANCE SETTLEMENT
PROCEEDS TO AN INSURED BY A MORTGAGE HOLDER."**

1 Strike everything after the enacting clause and substitute the
2 following in lieu thereof:

3 "Section 1. Section 36a-498 of the 2012 supplement to the general
4 statutes is amended by adding subsection (i) as follows (*Effective*
5 *October 1, 2012*):

6 (NEW) (i) (1) No mortgage lender, mortgage correspondent lender,
7 mortgage broker or mortgage loan originator shall withhold payment
8 or endorsement of a payment to a borrower from an insurance
9 company insuring such borrower, when (A) such payment is made by
10 the insurance company for a covered claim and the payees jointly
11 named on the payment instrument are the borrower and the mortgage
12 lender, mortgage correspondent lender, mortgage broker or mortgage
13 loan originator, as applicable, and (B) the borrower has provided any
14 required or requested information reasonably necessary to document

15 the covered claim, to the mortgage lender, mortgage correspondent
16 lender, mortgage broker or mortgage loan originator, as applicable, or
17 loan processor, underwriter or mortgage service company of such
18 lender, correspondent lender, broker or loan originator, as applicable.

19 (2) Any such mortgage lender, mortgage correspondent lender,
20 mortgage broker or mortgage loan originator shall pay or endorse a
21 payment for the full amount of the payment instrument specified in
22 subdivision (1) of this subsection, to a borrower not later than ten
23 calendar days after it receives the information provided pursuant to
24 subparagraph (B) of subdivision (1) of this subsection or, if no
25 information is required or requested, after it receives the payment
26 instrument specified in subparagraph (A) of subdivision (1) of this
27 subsection from the borrower or the insurance company."

This act shall take effect as follows and shall amend the following sections:		
Section 1	October 1, 2012	36a-498